ELEVENTH ANNUAL REPORT

CAROLINA, CLINCHFIELD AND OHIO RAILWAY

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FOR THE FISCAL YEAR ENDED

December 31, 1921

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CAROLINA, CLINCHFIELD AND OHIO RAILWAY

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ELEVENTH ANNUAL REPORT

New York, May 1, 1922.

To the Stockholders of

CAROLINA, CLINCHFIELD AND OHIO RAILWAY:

The Eleventh Annual Report of the Board of Directors, for the fiscal year ended December 31, 1921, is submitted herewith.

MILEAGE

	Miles
Main line: Elkhorn City, Ky., to North Carolina-South Carolina State Line..	258 76
Branch: Carbo, Va., to Laurel Junction, Va.	5 71
Trackage rights over Norfolk & Western Railway, Carbo, Va., to St. Paul, Va.	8 45
	272 92
Carolina, Clinchfield and Ohio Railway of South Carolina owns and operates..	18 09
	291 01

The earnings of Carolina, Clinchfield and Ohio Railway of South Carolina are controlled by ownership of securities, and for convenience the results of the operation of the entire mileage described above are dealt with as a whole.

GENERAL RESULTS

A summary of the results of operation for the fiscal year ended December 31, 1921, is shown below:

Operating Revenues		$7,464,112 22
Operating Expenses		5,320,170 72
Net Operating Revenues		$2,143,941 50
Taxes	$440,000 00	
Uncollectible Railway Revenues	1,801 54	441,801 54
Railway Operating Income		$1,702,139 96
Hire of Equipment	$804,410 46	
Joint Facility Rents	*Dr. 14,252 89*	790,157 57
Net Railway Operating Income		$2,492,297 53
Non-operating Income		116,247 37
Gross Income		$2,608,544 90
Interest on Funded Debt and other deductions from Income		1,622,117 02
Net Income (exclusive of interest on Income Debentures)		$986,427 88
Interest on Income Debentures		262,820 00
Income carried to Profit and Loss		$723,607 88

OPERATING REVENUES

MERCHANDISE FREIGHT OTHER THAN COAL

The revenue from transportation of merchandise freight amounted to $2,765,418.97, being an increase of $394,035.01, as compared with the previous year.

The tonnage moved was 1,561,726 tons, a decrease of 66,983 tons.

The number of tons carried one mile amounted to 197,167,511, a decrease of 17,857,732 ton miles, or 8.30 per cent.

The average haul decreased from 132.02 to 126.25 miles, a decrease of 5.77 miles.

The proportion of gross revenue derived from the transportation of merchandise freight was 37.05 per cent., an increase of 5.69 per cent.

COAL FREIGHT

From transportation of coal there was derived the sum of $4,024,728.43, a decrease of $454,137.00, as compared with the previous year.

The coal tonnage transported amounted to 3,326,264 tons, a decrease of 935,163 tons.

The number of tons carried one mile amounted to 620,794,859, a decrease of 68,945,677 ton miles, or 10.00 per cent.

The average haul increased from 161.86 to 186.63 miles, an increase of 24.77 miles.

The proportion of gross revenue derived from the transportation of coal freight was 53.92 per cent., a decrease of 5.32 per cent.

ENTIRE FREIGHT TRAFFIC

The total freight revenue derived was $6,790,147.40, a decrease of $60,101.99, as compared with the previous year.

Combining merchandise and coal, the entire freight traffic amounted to 4,887,990 tons, a decrease of 1,002,146 tons.

The number of tons carried one mile was 817,962,370, a decrease of 86,803,409 ton miles, or 9.59 per cent.

The average distance carried was 167.34 miles, an increase of 13.73 miles.

The average revenue per ton was 138.91 cents, an increase of 22.61 cents.

The total freight train mileage was 666,139 (which includes proportions of mixed-train and special-train miles), a decrease of 196,244.

The average train load of revenue freight was 1,227.92 tons, an increase of 178.77 tons.

The average number of tons of revenue freight in each loaded car was 40.81, an increase of .95 tons.

In addition to the above tonnage, the company's freight amounted to 199,336 tons, a decrease of 26,070 tons.

PASSENGER TRAFFIC

From passenger traffic, the revenue derived was $522,692.77, a decrease of $23,787.61.

The number of passengers carried was 643,569, a decrease of 85,801.

The number of passengers carried one mile was 14,782,566, a decrease of 2,649,848, or 15.20 per cent.

The average distance traveled by each passenger was 22.97 miles, a decrease of .93 miles.

The average revenue paid by each passenger was 81.22 cents, an increase of 6.30 cents.

Passenger train mileage was 342,222 (which includes motor-car miles and proportions of mixed-train and special-train miles), a decrease of 534.

EXPRESS REVENUE

Express revenue amounted to $48,107.51, an increase of $17,537.97, as compared with the previous year.

MAIL REVENUE

The revenue derived from carrying United States mail was $34,892.90, an increase of $564.83, as compared with the previous year, excluding back mail pay of $32,794.54 received in 1920.

MISCELLANEOUS REVENUE

This consists of revenue derived from chartered trains, other passenger train revenue, switching revenue, station and train privileges, storage on freight and baggage, car service, telegraph service, rents of buildings and property, and miscellaneous, and amounts to $68,271.64, an increase of $1,813.37, as compared with the previous year.

OPERATING EXPENSES

MAINTENANCE OF WAY

The expenditures for maintenance of way and structures amounted to $979,799.06, or $3,366.89 per mile operated, as compared with $1,050,184.94, or $3,608.76 per mile operated, for the previous year, a decrease of 6.70 per cent.

MAINTENANCE OF EQUIPMENT

The total expenses for maintenance of equipment amounted to $1,740,747.17, a decrease as compared with the previous year of $175,170.43, or 9.14 per cent. The changes in equipment and the unit costs of maintenance are fully shown in the equipment list shown elsewhere.

TRAFFIC

The expenditures under this heading amounted to $269,116.40, an increase as compared with the previous year of $48,096.23, or 21.76 per cent.

TRANSPORTATION

The total cost of transportation was $2,084,818.32, a decrease as compared with the previous year of $462,067.50, or 18.14 per cent. The decrease in the revenue ton-miles was 9.59 per cent. The ratio of transportation expenses to total operating revenues was 27.93 per cent., as compared with 33.68 per cent. last year, a decrease of 5.75 per cent.

GENERAL

The expenditures for general administration were $250,255.27, a decrease as compared with the previous year's combined Federal and Corporate general expenses ($259,761.95), of $9,506.68, or 3.66 per cent.

FINANCIAL

The Capital Stock of Carolina, Clinchfield and Ohio Railway remains unchanged. It consists of:

250,000 shares of Common Stock, par value $100 each	$25,000,000 00
115,000 shares of Preferred Stock, par value $100 each	11,500,000 00
Total	$36,500,000 00

On December 1, 1921, there were issued $676,000.00 additional Fifteen-Year Six Per Cent. Cumulative Income Debentures for cash at par.

The $1,000,000.00 loan from the United States Government, under Section 210 of the Transportation Act, 1920, due October 11, 1921, was extended to December 31, 1922. This loan is secured by the pledge of $1,000,000.00 Five Per Cent. Elkhorn First Mortgage Gold Notes (extended to January 1, 1923, with interest at the rate of six per cent. per annum) and $500,000.00 First Mortgage Five Per Cent. Thirty-Year Gold Bonds.

On December 31, 1921, an additional loan of $5,000,000.00 for twelve months at six per cent. was obtained from the United States Government, under Section 210 of the Transportation Act, 1920, for the purpose of taking up $5,000,000.00 Five Per Cent. Elkhorn First Mortgage Gold Notes, extended at six per cent. per annum and due January 1, 1922. These Notes (further extended to January 1, 1923, with interest at the rate of six per cent. per annum) and $500,000.00 First Mortgage Five Per Cent. Thirty-Year Gold Bonds, were then pledged as security for this loan.

In this manner all of the Elkhorn First Mortgage Gold Notes have been provided for and taken up and deposited as collateral for the Government loans above mentioned, as presented.

Payments were made during the fiscal year on account of principal of Equipment Trust Notes as follows:

Series "C"	$100,000 00
Series "E"	26,000 00
Series "F"	76,000 00
Series "G"	84,000 00
United States Government Equipment Trust Notes No. 11	414,000 00
Total	$700,000 00

GENERAL REMARKS

The year 1921 was one of widespread business depression, which had its effect upon the affairs of your company. Manufacturing and merchandising throughout the country declined greatly, and as a result traffic in manufactured products and in materials used in their manufacture was reduced correspondingly. The decline in the volume of traffic which began in December, 1920, continued through the year 1921, with the result that, compared with 1920, the number of revenue tons handled showed a decrease.

The net ton miles of revenue and non-revenue freight handled were 9.70% less than in 1920, as compared with a decrease for all carriers composing the Southern Region of 20.6%.

Freight cars per train averaged 51.4, compared with 45.8 in 1920. This is the heaviest train loading in the Southern Region, and is exceeded by but few carriers in the United States.

The net tons per train mile were 1,261, compared with 1,078 in 1920.

The operating revenues of all carriers in Southern Region were 10.7% less than in 1920, while those of your company were 1.28% less.

On May 6, 1921, $550,000.00 was accepted in full settlement of all accounts between this company and the United States Railroad Administration.

The Board acknowledges the fidelity and efficiency of the officers and employes of the company.

For the Board of Directors,

N. S. Meldrum,
President.

STATEMENTS AND STATISTICS

GENERAL INCOME ACCOUNT
CAROLINA, CLINCHFIELD AND OHIO RAILWAYS
FOR THE YEAR ENDED DECEMBER 31, 1921

OPERATING REVENUES	
Freight	$6,790,147 40
Passenger	522,692 77
Mail	34,892 90
Express	48,107 51
Miscellaneous	68,271 64
Total operating revenues	$7,464,112 22
OPERATING EXPENSES	
Maintenance of way and structures	$979,799 06
Maintenance of equipment	1,740,747 17
Traffic	269,116 40
Transportation	2,084,818 32
General	250,255 27
Transportation for investment *Cr.*	*4,565 50*
Total operating expenses	$5,320,170 72
NET OPERATING REVENUES	$2,143,941 50
Taxes	440,000 00
Uncollectible railway revenues	1,801 54
Railway operating income	$1,702,139 96
Hire of equipment *Cr.*	804,410 46
Joint facility rents *Dr.*	*14,252 89*
NET RAILWAY OPERATING INCOME	$2,492,297 53
NON-OPERATING INCOME	
Income from funded securities	$19,062 52
Income from unfunded securities	85,857 60
Rent from leased rail	1,940 64
Miscellaneous income	9,386 61
Total non-operating income	$116,247 37
GROSS INCOME	$2,608,544 90
DEDUCTIONS FROM GROSS INCOME	
Interest on funded debt	$1,187,581 65
Interest on equipment trusts	407,138 43
Interest on unfunded debt	25,570 90
Miscellaneous income deductions	1,826 04
Total deductions	$1,622,117 02
NET INCOME (exclusive of interest on Income Debentures)	$986,427 88
Interest on Income Debentures	262,820 00
NET INCOME	$723,607 88

PROFIT AND LOSS STATEMENT

January 1 to December 31, 1921

CAROLINA, CLINCHFIELD AND OHIO RAILWAY

Credits		
Balance January 1, 1921	$3,598,328 33	
Donations for side tracks	8,651 07	
Adjustment of accounts with United States Railroad Administration	287,911 67	
Miscellaneous credits	12,575 14	
Profit on road sold	10,798 52	
Unrefundable overcharges	11,219 79	
Credit balance from income account, period twelve months, January 1, 1921, to December 31, 1921	(a) 819,350 96	
Total credits		$4,748,835 48
Debits		
Surplus appropriated for investment in physical property	$14,367 88	
Discount on securities	51,609 36	
Miscellaneous adjustments of uncollectible accounts	1,615 65	
Loss on retired road and equipment	562 36	
Total debits		68,155 25
Credit balance, December 31, 1921		$4,680,680 23

CAROLINA, CLINCHFIELD AND OHIO RAILWAY OF SOUTH CAROLINA

Debits		
Balance January 1, 1921	$1,118,106 96	
Miscellaneous adjustment	6 00	
Loss on retired road	373 92	
Debit balance from income account, period twelve months, January 1, 1921, to December 31, 1921	(b) 95,743 08	
Debit balance, December 31, 1921		$1,214,229 96

(a) Credit balance from income	$819,350.96
(b) Debit balance from income	95,743.08
Net credit from income as shown on pages 7 and 12	$723,607.88

GENERAL BALANCE SHEET,
CAROLINA, CLINCHFIELD

ASSETS

INVESTMENTS			
Investment in road and equipment			
Road		$43,545,414 43	
Construction of Elkhorn Extension		5,491,158 96	
Equipment		15,373,874 24	
			$64,410,447 63
Other Investments			
First Mortgage Bonds of C., C. & O. Railway of S. C.		$3,000,000 00	
Miscellaneous		4,383,813 40	
			7,383,813 40
CURRENT ASSETS			
Cash		$2,554,363 06	
Cash in banks	$2,259,461 32		
Station agents cash in transit	66,696 74		
Deposit for principal and interest obligations	228,205 00		
Traffic and car service balances receivable		242,533 30	
Net balance receivable from agents and conductors		7,707 76	
Miscellaneous accounts receivable		210,415 85	
Material and supplies		964,562 35	
United States Railroad Administration—Trustee Accounts		451 87	
Loans and bills receivable		25,107 08	
United States Government "Cash Collateral"—$5,000,000.00 Note		96,000 00	
			4,101,141 27
DEFERRED ASSETS			
Holston Corporation advances		$643,775 34	
Black Mountain Railway Company advances		179,577 47	
Erwin Electric Light and Power Company advances		35,943 43	
Southport Harbor Company		12,375 01	
Working fund advances		2,581 29	
Insurance premiums paid in advance		10,605 55	
Value of rail leased to industries		17,955 08	
			902,813 17
INTEREST ON BONDS OWNED			
Interest on First Mortgage Bonds of C., C. & O. Railway of S. C.		$1,662,500 00	
Interest on First Mortgage Bonds of Black Mountain Railway Company		4,687 50	
			1,667,187 50
UNADJUSTED DEBITS			
Freight items in suspense		$683,307 63	
Claims in suspense		49,350 65	
Estimated per diem in suspense		95,000 00	
Other deferred debit items		25,282 40	
			852,940 68
Total Assets			$79,318,343 65

CAROLINA, CLINCHFIELD AND OHIO

INVESTMENTS			
Investment in road and equipment			
Road			$3,105,694 53
CURRENT ASSETS			
Cash		$6,681 15	
Cash in banks	$5,775 43		
Station agents cash in transit	905 72		
Net balance receivable from agents and conductors		1,185 84	
Miscellaneous accounts receivable		4,035 24	
Carolina, Clinchfield and Ohio Railway deposit account		390,828 77	
			402,731 00
UNADJUSTED DEBITS			
Claims in suspense		$2,409 65	
Freight items in suspense		19,000 00	
Other unadjusted debits		192 40	
			21,602 05
CORPORATE DEFICIT			
Profit and loss—Balance			1,214,229 96
Total Assets			$4,744,257 54

DECEMBER 31, 1921
AND OHIO RAILWAY

LIABILITIES

Stock				
Capital stock				
Common stock			$25,000,000 00	
Preferred stock		$13,500,000 00		
Less—Amount held in treasury		2,000,000 00		
			11,500,000 00	
Long Term Debt				$36,500,000 00
Funded debt unmatured				
First Mortgage Five Per Cent. Gold Bonds		$15,000.000 00		
Less—Amount held in treasury	$50,000 00			
Less—Amount pledged as collateral	1,000,000 00	1,050,000 00	$13,950,000 00	
Five Per Cent. Elkhorn First Mortgage Gold Notes Extended		$6,000,000 00		
Less—Amount pledged as collateral		5,904,000 00	96,000 00	
United States Government Ten-Year Six Per Cent. Secured Loan			2,000,000 00	
United States Government One-Year Six Per Cent. Secured Loan			5,000,000 00	
United States Government One-Year Six Per Cent. Secured Loan			1,000,000 00	
Six Per Cent. Cumulative Income Debentures			5,000,000 00	
Lick Creek and Lake Erie R. R. Co. First Mortgage Bonds		$200,000 00		
Less—Amount held in treasury		5,000 00	195,000 00	
Ten-Year Mortgage Coupon Notes, Extended, pledged as collateral for United States Government Ten-Year Six Per Cent. Secured Loan		$5,000,000 00		27,241,000 00
Equipment Trusts				
Equipment Gold Notes, Series "C"			$100,000 00	
Equipment Gold Notes, Series "E"			78,000 00	
Equipment Gold Notes, Series "F"			418,000 00	
Equipment Gold Notes, Series "G"			462,000 00	
Equipment Gold Notes, United States Government Equipment Trust No. 11			5,796,000 00	
				6,854,000 00
Current Liabilities				
Traffic and car service balances payable			$199,545 00	
Audited accounts and wages payable			520,337 87	
Miscellaneous accounts payable			8,429 46	
Principal and interest matured unpaid			597,270 35	
Unmatured interest accrued			226,348 30	
Carolina, Clinchfield and Ohio Railway of South Carolina deposit account			390,828 77	
				1,942,759 75
Unadjusted Credits				
Taxes accrued not due			$84,437 23	
Accrued depreciation—Equipment			1,815,601 06	
Estimated expenses accrued			13,673 94	
Other unadjusted credits			150,528 10	
				2,064,240 33
Corporate Surplus				
Additions to property through income and surplus			$35,663 34	
Profit and loss—Balance			4,680,680 23	
				4,716,343 57
Total Liabilities				$79,318,343 65

RAILWAY OF SOUTH CAROLINA

Stock		
Capital stock		
Common stock		$12,000 00
Long Term Debt		
First Mortgage Bonds		3,000,000 00
Current Liabilities		
Traffic and car service balances payable	$6,796 85	
Audited accounts and wages payable	58,381 43	
Interest unpaid on First Mortgage Bonds	1,650,000 00	
Unmatured interest accrued	12,500 00	
Miscellaneous accounts payable	925 12	
		1,728,603 40
Unadjusted Credits		
Estimated expenses accrued	$2,416 01	
Other unadjusted credits	1,238 13	
		3,654 14
Total Liabilities		$4,744,257 54

STATEMENT OF FUNDED DEBT AND EQUIPMENT NOTES, DECEMBER 31, 1921

Liens Created by	Character of Lien	Amount Outstanding	Date of Maturity	Rate Per Annum	Date Payable	Interest Accrued During Year
Carolina, Clinchfield and Ohio Ry.	First Mortgage Coupon Bonds Convertible to Registered ......(1)	$13,950,000	June 1, 1938	5%	June and Dec.	$697,500 00
Carolina, Clinchfield and Ohio Ry.	Ten-Year Mortgage Coupon Notes Extended ($5,000,000) ....(2)	Pledged	July 1, 1930	6%	Jan. and July	None
Carolina, Clinchfield and Ohio Ry.	Elkhorn First Mortgage Gold Notes Extended ($6,000,000) ....(3)	96,000	Jan. 1, 1923	6%	Jan. and July	299,980 00
Carolina, Clinchfield and Ohio Ry.	Ten-Year Secured Government Loan	2,000,000	July 9, 1930	6%	Jan. and July	120,000 00
Carolina, Clinchfield and Ohio Ry.	One-Year Secured Government Loan	5,000,000	Dec. 31, 1922	6%	July 1 and Dec. 31	None
Carolina, Clinchfield and Ohio Ry.	One-Year Secured Government Loan	1,000,000	Dec. 31, 1922	6%	July 1 and Dec. 31	60,351 65
Lick Creek and Lake Erie R. R. Co.	First Mortgage Coupon Bonds ....(4)	200,000	Jan. 1, 1933	5%	Jan. and July	9,750 00
Carolina, Clinchfield and Ohio Ry.	Equipment Trust Notes Series C............	100,000	$50,000 matures Feb. 1st and Aug. 1st	5%	Feb. and Aug.	6,666 65
Carolina, Clinchfield and Ohio Ry.	Equipment Trust Notes Series E............	78,000	$13,000 matures April 1st and Oct. 1st	5%	April and Oct.	4,550 01
Carolina, Clinchfield and Ohio Ry.	Equipment Trust Notes Series F	418,000	$38,000 matures Jan. 1st and July 1st	5%	Jan. and July	21,850 00
Carolina, Clinchfield and Ohio Ry.	Equipment Trust Notes Series G............	462,000	$42,000 matures April 1st and Oct. 1st	5%	April and Oct.	25,200 00
Carolina, Clinchfield and Ohio Ry.	Equipment Trust Notes No. 11 .... (Equipment allocated by U. S. Government)	5,796,000	$414,000.00 matures annually, Jan. 15th	6%	Jan. and July	348,871 77
	Total.........	$29,100,000				$1,594,720 08
Carolina, Clinchfield and Ohio Ry.	Fifteen-Year Cumulative Income Debentures	5,000,000	July 1, 1935	6%	Jan. and July	262,820 00
	Grand Total ...	$34,100,000	....	.....	....	$1,857,540 08

CAROLINA, CLINCHFIELD AND OHIO RAILWAY OF SOUTH CAROLINA

Carolina, Clinchfield and Ohio Ry. of South Carolina.....	First Mortgage Coupon Bonds	$3,000,000	June 1, 1938	5%	June and Dec.	$150,000 (5)

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(1) Does not include $50,000 held in treasury and $1,000,000 pledged ($500,000 as part security for $1,000,000 One-Year Secured Government Loan; and $500,000 as part security for $5,000,000 One-Year Secured Government Loan).

(2) Entire issue pledged as security for $2,000,000 Ten-Year Secured Government Loan.

(3) $4,904,000 pledged as part security for $5,000,000 One-Year Secured Government Loan and $1,000,000 pledged as part security for $1,000,000 One-Year Secured Government Loan; total pledged $5,904,000, $96,000 outstanding not presented for payment.

(4) Includes $5,000 owned by Carolina, Clinchfield and Ohio Railway.

(5) Accrues to Carolina, Clinchfield and Ohio Railway.

DESCRIPTION OF FUNDED DEBT AND EQUIPMENT NOTES

FIRST MORTGAGE FIVE PER CENT. THIRTY-YEAR GOLD BONDS:

Dated June 1, 1908, due June 1, 1938, secured by first mortgage on the line of railway and other property from Dante, Virginia, to North Carolina-South Carolina state line, 223.47 miles (subject to mortgage for $200,000.00 on line from Dante, Virginia, to Fink, Virginia, 7.5 miles), by equipment, and by $3,000,000.00 (principal amount) of First Mortgage Bonds of Carolina, Clinchfield and Ohio Railway of South Carolina. Amount authorized $15,000,000.00, outstanding $13,950,000.00. Trustee: The Farmers' Loan and Trust Company, New York, N. Y. Interest payable June 1st and December 1st at office of the Company, 24 Broad Street, New York, N. Y. Mortgage contains "tax free" clause.

FIVE PER CENT. ELKHORN FIRST MORTGAGE GOLD NOTES, EXTENDED:

Dated February 1, 1917, due January 1, 1920, and extended to January 1, 1922, at six per cent. from January 1, 1920, by supplemental indenture dated December 15, 1919, between Railway and The New York Trust Company and noteholders, and again extended to January 1, 1923, by supplemental indenture dated December 15, 1921, secured by first mortgage on line of railway and other property from Virginia-Kentucky state line to Dante, Virginia, 32 miles, and by $500,000.00 (principal amount) of First Mortgage Five Per Cent. Gold Notes of Clinchfield Northern Railway of Kentucky. Amount authorized and issued $6,000,000.00, of which $1,000,000.00 pledged as collateral for United States Government One-Year Six Per Cent. Secured Loan for $1,000,000.00 and $4,904,000.00 pledged as collateral for United States Government One-Year Six Per Cent. Secured Loan for $5,000,000.00; outstanding $96,000.00 not presented for payment. Trustee: The New York Trust Company, New York, N. Y. Interest payable January 1st and July 1st at office of the company, 24 Broad Street, New York, N. Y. Mortgage does not contain "tax free" clause.

TEN-YEAR MORTGAGE COUPON NOTES, EXTENDED:

Dated July 1, 1909, due July 1, 1919, extended to July 1, 1920, at six per cent. in accordance with agreement dated June 30, 1919, between the Railway and Blair & Co. and all of the noteholders and again extended to July 1, 1930, in accordance with supplemental indenture between the Railway, The Equitable Trust Company of New York, and the noteholders, dated June 25, 1920, secured by mortgage on line of railway and other property from Dante, Virginia, to North Carolina-South Carolina state line, 223.47 miles, by equipment and by $3,000,000.00 (principal amount) of First Mortgage Bonds of Carolina, Clinchfield and Ohio Railway of South Carolina (subject to mortgage for $15,000,000.00, Dante, Virginia, to North Carolina-South Carolina state line and to mortgage for $200,000.00, Dante to Fink, Virginia). Amount authorized and issued $5,000,000.00, pledged as collateral for United States Government Ten-Year Six Per Cent. Secured Loan of $2,000,000.00. Trustee: The Equitable Trust Company, New York, N. Y. Interest payable January 1st and July 1st at office of the company, 24 Broad Street, New York, N. Y. Mortgage contains "tax free" clause.

LICK CREEK AND LAKE ERIE RAILROAD FIRST MORTGAGE FIVE PER CENT. GOLD BONDS:

Dated December 23, 1902, due January 1, 1933, secured by first mortgage on the line from Dante, Virginia, to Fink, Virginia, 7.5 miles. Amount authorized and outstanding $200,000.00. Trustee: Washington Loan and Trust Company, Washington, D. C. Interest payable January 1st and July 1st at Washington Loan and Trust Company, Washington, D. C. Mortgage contains "tax free" clause.

SIX PER CENT. CUMULATIVE INCOME DEBENTURES:

Dated July 1, 1920, due July 1, 1935. Authorized $6,000,000.00, issued $5,000,000.00. Trustee: The New York Trust Company, New York, N. Y. Interest payable January 1st and July 1st at the office of The New York Trust Company, New York, N. Y., if, when and as earned and when and as declared by the Board of Directors, out of the net earnings or surplus. Mortgage contains "tax free" clause.

UNITED STATES GOVERNMENT TEN-YEAR SIX PER CENT. SECURED LOAN:

Dated July 9, 1920, due July 9, 1930, for $2,000,000.00, with privilege of repayment in advance; obtained under Section 210 of the Transportation Act, 1920, and secured by deposit of $5,000,000.00 principal amount of Ten-Year Mortgage Coupon Notes issued under mortgage to The Equitable Trust Company of New York dated July 1, 1909, due by extension on July 1, 1930. Interest payable January 1st and July 1st.

DESCRIPTION OF FUNDED DEBT AND EQUIPMENT NOTES—*Continued*

UNITED STATES GOVERNMENT ONE-YEAR SIX PER CENT. SECURED LOAN:

Dated December 31, 1921, due December 31, 1922, for $1,000,000.00, obtained under Section 210 of the Transportation Act, 1920, and secured by deposit of $1,000,000.00 Five Per Cent. Elkhorn First Mortgage Gold Notes, Extended, issued under mortgage to The New York Trust Company, dated February 1, 1917, and due by extension on January 1, 1923, together with $500,000.00 First Mortgage Five Per Cent. Thirty-Year Gold Bonds, issued under mortgage to the Farmers' Loan and Trust Company, dated June 1, 1908. Interest payable July 1st and December 31st.

UNITED STATES GOVERNMENT ONE-YEAR SIX PER CENT. SECURED LOAN:

Dated December 31, 1921, due December 31, 1922, for $5,000,000.00, obtained under Section 210 of the Transportation Act, 1920, and secured by deposit of $500,000.00 First Mortgage Five Per Cent. Thirty-Year Gold Bonds, dated June 1, 1908, issued under mortgage to The Farmers' Loan and Trust Company; $4,904,000.00 Five Per Cent. Elkhorn First Mortgage Gold Notes, Extended, dated February 1, 1917, and due by extension on January 1, 1923, issued under mortgage to The New York Trust Company; and $96,000.00 cash collateral, which is to be used to take up the remaining Notes when presented. Interest payable July 1st and December 31st.

EQUIPMENT NOTES, SERIES "C":

Equipment covered:

1,000 fifty-ton steel hopper cars.
6 Mogul Mallet locomotives.
3 Pacific type passenger locomotives.

Cost of Equipment $1,385,761.59. Original issue of notes dated August 1, 1912, $1,000,000.00. $50,000.00 matures semi-annually February 1st and August 1st. Final payment matures August 1, 1922. Notes paid $900,000.00. Amount outstanding December 31, 1921, $100,000.00. Trustee: The New York Trust Company, New York, N. Y. Interest payable February 1st and August 1st at office of Blair & Co., 24 Broad Street, New York, N. Y. Notes contain "tax free" clause.

EQUIPMENT NOTES, SERIES "E":

Equipment covered:

300 thirty-ton steel-underframe stock cars.
2 Pacific type passenger locomotives.
1 ninety-ton Shay locomotive.

Cost of Equipment $309,604.00. Original issue of notes dated October 1, 1914, $260,000.00. $13,000.00 matures semi-annually, April 1st and October 1st. Final payment matures October 1, 1924. Notes paid $182,000.00. Amount outstanding December 31, 1921, $78,000.00. Trustee: The New York Trust Company, New York, N. Y. Interest payable April 1st and October 1st at office of Blair & Co., 24 Broad Street, New York, N. Y. Notes do not contain "tax free" clause.

EQUIPMENT NOTES, SERIES "F":

Equipment covered:

500 fifty-ton all-steel hopper cars.
5 steel-underframe caboose cars.

Cost of Equipment $903,113.75. Original issue of notes dated January 1, 1917, $760,000.00. $38,000.00 matures semi-annually January 1st and July 1st. Final payment matures January 1, 1927. Notes paid $342,000.00. Amount outstanding December 31, 1921, $418,000.00. Trustee: The New York Trust Company, New York, N. Y. Interest payable January 1st and July 1st at office of Blair & Co., 24 Broad Street, New York, N. Y. Notes contain "tax free" clause.

EQUIPMENT NOTES, SERIES "G":

Equipment covered:

7 Mallet type locomotives.
9 Mikado type locomotives.

Cost of Equipment $1,092,950.00. Original issue of notes dated April 2, 1917, $840,000.00. $42,000.00 matures semi-annually April 1st and October 1st. Final payment matures April 1, 1927. Notes paid $378,000.00. Amount outstanding December 31, 1921, $462,000.00. Trustee: Commercial Trust Company, Philadelphia, Pa. Interest payable April 1st and October 1st at the office of Commercial Trust Company, Philadelphia, Pa. Notes do not contain "tax free" clause.

DESCRIPTION OF FUNDED DEBT AND EQUIPMENT NOTES—*Continued*

EQUIPMENT NOTES, UNITED STATES GOVERNMENT EQUIPMENT TRUST NO. 11:

Equipment covered:

1750 fifty-five-ton all-steel hopper cars.
300 fifty-ton steel-underframe box cars.
10 Mallet locomotives.

Cost of Equipment $6,211,779.48. Original issue of notes dated January 15, 1920, $6,210,000.00. $414,000.00 matures annually January 15. Final payment matures January 15, 1935. Notes paid $414,000.00. Amount outstanding December 31, 1921, $5,796,000.00. Trustee: Guaranty Trust Company of New York, New York, N. Y. Interest payable January 15th and July 15th at the office of Guaranty Trust Company of New York, New York, N. Y. Notes do not contain "tax free" clause.

GUARANTEES

Carolina, Clinchfield and Ohio Railway has guaranteed payment of principal and interest of $500,000.00 principal amount of First Mortgage Five Per Cent. Gold Bonds of Black Mountain Railway Company, dated April 1, 1916, and payable serially at the rate of $25,000.00 principal amount per annum on the first day of April of each year, beginning April 1, 1917, with interest at the rate of 5% per annum, of which there remained outstanding at the close of business, December 31, 1921, $375,000.00 principal amount.

Carolina, Clinchfield and Ohio Railway guarantees payment of principal and interest of $1,500,000.00 principal amount of Five Per Cent. Realty and Collateral Trust Convertible Notes of Holston Corporation, dated April 1, 1916, and payable April 1, 1926, with interest at the rate of 5% per annum.

STATEMENT OF SECURITIES OWNED, DECEMBER 31, 1921

	Bonds	Each	Par Value	Total
Bonds				
Carolina, Clinchfield and Ohio Railway of South Carolina	3,000	$1,000 00	$3,000,000 00	
Clinchfield Northern Railway of Kentucky	500	1,000 00	500,000 00	
Lick Creek and Lake Erie Railroad Co.	5	1,000 00	5,000 00	
Black Mountain Railway Company	375	1,000 00	375,000 00	
Black Mountain Railway Company First Income Debentures	50	1,000 00	50,000 00	
Black Mountain Railway Company Second Income Debentures	250	1,000 00	250,000 00	
Union Dye and Chemical Corporation Income Debentures	9	1,000 00	9,000 00	
				$4,189,000 00
Stock	Shares			
Southport Harbor Co.	20,000	$100 00	$2,000,000 00	
Holston Corporation	7,500	100 00	750,000 00	
Spartanburg Land Co.	7,500	100 00	750,000 00	
South and Western Ry. Co., Consolidated	1,000	100 00	100,000 00	
South and Western Ry. Co. (of N. C.)	1,000	100 00	100,000 00	
Lick Creek and Lake Erie Railroad Co.	1,000	100 00	100,000 00	
South and Western R. R. Co. (of N. C.)	290	100 00	29,000 00	
Elkhorn Southern Ry.	50	100 00	5,000 00	
Carolina, Clinchfield and Ohio Railway of Kentucky	50	100 00	5,000 00	
Carolina, Clinchfield and Ohio Railway of South Carolina	120	100 00	12,000 00	
Clinchfield Northern Ry.	50	100 00	5,000 00	
Clinchfield Northern Ry. of Kentucky	50	100 00	5,000 00	
South and Western R. R.	10	100 00	1,000 00	
				3,862,000 00
Total par value				$8,051,000 00
Book value				$7,383,813 40

STATEMENT OF MILEAGE OF TRACK OPERATED FOR YEAR ENDED DECEMBER 31, 1921, COMPARED WITH SAME PERIOD PREVIOUS YEAR,

As Measured for Valuation of Railway

		Dec. 31, 1921	Dec. 31, 1920	Increase	Decrease
OWNED					
Main Line					
In Virginia: Carbo to Laurel Junction	5.71				
Ky-Va. State Line to Dante	31.89				
Dante to Va-Tenn. State Line	51.88				
		89.48	89.48		
In Tennessee: Va-Tenn. State Line to Johnson City, Tenn.	33.35				
Johnson City, Tenn., to Tenn.-N. C. State Line	22.24				
		55.59	55.59		
In North Carolina: North Carolina-Tennessee State Line to North Carolina-South Carolina State Line		116.61	116.61		
In South Carolina: (C., C. & O. Railway of S. C.): North Carolina-South Carolina State Line to Spartanburg		18.09	18.09		
		279.77	279.77		
Branches and Spurs					
In Virginia: Hurricane Junction to end of track	1.52*				
Laurel Junction to Tipple	3.39*				
Dante to Tipple No. 2	0.78*				
Dante to foot of switchback	1.27*				
		6.96*	6.96*		
In Tennessee: Carnegie Spur		2.32	2.32		
In North Carolina: Bostic Yard to Bostic		0.79	0.79		
		10.07	10.07		
LEASED					
Main Line					
In Kentucky: Clinchfield Northern Railway of Kentucky		2.79	2.79		
TRACKS USED JOINTLY					
In Virginia: N. & W. Ry. Carbo to St. Paul		8.45	8.45		
Grand Total		301.08	301.08		
Total mileage operated (a)		291.01	291.01		
Average mileage operated (a)		291.01	291.01		
First track, owned, operated and leased		292.63	292.63		
First track used jointly		8.45	8.45		
Sidings, owned		131.04†	127.23†	3.81	
Sidings, leased		5.36	5.36		
Sidings operated by Railway but owned by industries		11.78	5.18	6.60	
Total All Tracks		449.26	438.85	10.41	

* Rails and fastenings owned by C., C. & O Ry., roadbed and ties owned by other parties.

† On 8.67 miles of this, ties and roadbed owned by other parties, rails and fastenings by C., C. & O. Ry.

(*a*) Exclusive of spur lines on which no regular trains are run.

DETAILS OF OPERATING EXPENSES FOR YEAR ENDED DECEMBER 31, 1921 COMPARED WITH SAME PERIOD PREVIOUS YEAR

Accounts	Expenses for 1921	Expenses for 1920
Maintenance of way and structures	$979,799.06	$1,050,184.94
Maintenance of equipment	1,740,747.17	1,915,917.60
Traffic	269,116.40	221,020.17
Transportation	2,084,818.32	2,546,885.82
General	250,255.27	259,761.95
Transportation for investment . . . *Cr.*	*4,565.50*	*2,499.39*
Total	$5,320,170.72	$5,991,271.09
MAINTENANCE OF WAY AND STRUCTURES		
Superintendence	$33,070.01	$39,517.31
Roadway maintenance	91,621.23	151,437.04
Tunnels and subways	1,489.81	5,797.79
Bridges, trestles and culverts	45,469.16	62,983.75
Ties	290,620.87	184,195.69
Rails	77,387.55	68,740.36
Other track material	55,674.81	53,125.96
Ballast	8,700.73	23,578.42
Track laying and surfacing	292,283.37	344,835.16
Right-of-way fences	653.62	938.70
Crossings and signs	7,153.92	4,063.00
Station and office buildings	7,550.35	14,222.63
Roadway buildings	410.03	3,033.60
Water and fuel stations	19,970.48	30,290.66
Shops and enginehouses	13,461.92	12,693.38
Telegraph and telephone lines	10,066.01	17,813.67
Signals and interlockers	1,093.33	901.49
Roadway machines	4,445.16	5,783.85
Small tools and supplies	9,319.17	12,023.39
Miscellaneous structures	....	112.94
Removing snow, ice and sand	773.90	532.94
Assessments for public improvements	....	423.15
Injuries to persons	1,885.26	5,353.99
Insurance	2,755.21	1,808.79
Stationery and printing	571.49	1,909.45
Other expenses	25.00	....
Maintaining joint tracks, yards and other facilities . . . *Dr*	5,954.74	4,695.77
Maintaining joint tracks, yards and other facilities . . . *Cr.*	*2,608.07*	*627.94*
Total Maintenance of Way and Structures	$979,799.06	$1,050,184.94
MAINTENANCE OF EQUIPMENT		
Superintendence	$47,413.74	$44,582.26
Shop machinery	27,501.99	37,492.25
Steam locomotives—repairs	450,200.64	581,841.09
Steam locomotives—depreciation	104,289.48	104,827.60
Steam locomotives—retirements	....	....
Freight-train cars—repairs	713,033.88	697,943.43
Freight-train cars—depreciation	306,096.98	342,228.92
Freight-train cars—retirements	6,966.50	5,786.74
Passenger-train cars—repairs	46,050.41	44,799.99
Passenger-train cars—depreciation	5,927.88	5,894.30
Passenger-train cars—retirements	552.77	*359.83*
Motor equipment of cars—repairs	....	38.60
Work equipment—repairs	16,894.55	30,487.52
Work equipment—depreciation	4,824.54	6,599.18
Work equipment—retirements	....	....
Injuries to persons	3.603.28	5,996.48
Insurance	5,195.22	3,963.47
Stationery and printing	2,144.69	3,438.56
Other expenses	50.62	357.04
Total Maintenance of Equipment	$1,740,747.17	$1,915,917.60

NOTE: 1920 includes January and February expenses of United States Railroad Administration.

DETAILS OF OPERATING EXPENSES FOR YEAR ENDED DECEMBER 31, 1921 COMPARED WITH SAME PERIOD PREVIOUS YEAR—*Continued*

Accounts	Expenses for 1921	Expenses for 1920
TRAFFIC		
Superintendence	$71,247.03	$54,143.11
Outside agencies	164,532.38	131,226.61
Advertising	1,385.02	4,082.82
Traffic associations	2,667.88	2,464.76
Industrial and immigration bureaus	6,161.10	8,573.82
Insurance	20.18	....
Stationery and printing	23,102.81	20,529.05
Total Traffic	$269,116.40	$221,020.17
TRANSPORTATION		
Superintendence	$94,488.28	$95,333.77
Dispatching trains	40,152.96	49,862.98
Station employees	163,512.75	175,983.90
Weighing, inspection and demurrage bureaus	1,098.58	3,244.14
Station supplies and expenses	10,117.37	9,275.06
Yardmasters and yard clerks	23,034.60	28,983.73
Yard conductors and brakemen	57,524.61	85,551.42
Yard switch and signal tenders	1,481.19	1,962.82
Yard enginemen	34,827.53	47,391.56
Fuel for yard locomotives	45,860.10	53,233.95
Water for yard locomotives	2,805.50	2,731.51
Lubricants for yard locomotives	1,030.11	1,980.84
Other supplies for yard locomotives	1,248.26	1,804.34
Enginehouse expenses—yard	15,587.86	19,662.14
Yard supplies and expenses	365.09	582.84
Operating joint yards and terminals *Dr.*	42,847.36	48,705.04
Operating joint yards and terminals *Cr.*	*3,417.86*	*6,642.53*
Train enginemen	307,385.73	399,312.50
Train motormen	1,676.48	1,407.20
Fuel for train locomotives	561,061.29	617,108.44
Water for train locomotives	25,602.80	30,566.23
Lubricants for train locomotives	17,873.09	23,987.40
Other supplies for train locomotives	12,933.96	16,132.38
Enginehouse expenses—train	120,378.28	142,937.77
Trainmen	283,515.75	402,699.05
Train supplies and expenses	56,797.49	68,832.29
Signal and interlocker operation	489.45	1,038.23
Crossing protection	4,111.91	2,797.20
Telegraph and telephone operation	646.61	620.40
Stationery and printing	20,472.06	29,667.49
Other expenses	3,577.42	810.83
Operating joint tracks and facilities *Dr.*	6,839.83	207.72
Operating joint tracks and facilities *Cr.*	*1,664.70*	*252.32*
Insurance	520.43	211.93
Clearing wrecks	34,174.71	80,223.17
Damage to property	9,061.00	10,885.49
Damage to live stock on right-of-way	15,270.50	20,623.21
Loss and damage—freight	51,968.08	57,097.12
Loss and damage—baggage	260.74	141.54
Injuries to persons	19,301.12	20,183.04
Total Transportation	$2,084,818.32	$2,546,885.82

NOTE: 1920 includes January and February expenses of United States Railroad Administration.

DETAILS OF OPERATING EXPENSES FOR YEAR ENDED DECEMBER 31, 1921 COMPARED WITH SAME PERIOD PREVIOUS YEAR—*Continued*

Accounts	Expenses for 1921	Expenses for 1920
General		
Salaries and expenses of general officers	$39,013.03	$53,793.63
Salaries and expenses of clerks and attendants	99,408.78	122,808.19
General office supplies and expenses	21,927.08	20,783.37
Law expenses	62,286.98	28,069.92
Insurance	352.08	331.98
Stationery and printing	15,130.02	18,626.02
Valuation expenses	6,449.95	3,524.90
Other expenses	5,687.35	11,823.94
Total General	$250,255.27	$259,761.95

Note: 1920 includes January and February expenses of United States Railroad Administration.

SUMMARY OF OPERATING REVENUES FOR TEN YEARS, 1912 TO 1921, INCLUSIVE

Years Ended Dec. 31	Coal Freight	Merchandise Freight	Passenger	Mail and Express	Miscellaneous	Total Operating Revenues
1912	$1,585,709 43	$697,729 02	$182,114 18	$23,446 87	$26,650 68	$2,515,650 18
1913	1,693,458 73	831,590 94	224,116 65	25,876 29	30,279 48	2,805,322 09
1914	1,364,330 28	736,467 14	203,674 34	26,185 44	27,963 90	2,358,621 10
1915	1,483,576 22	784,469 98	194,156 77	27,015 53	25,852 97	2,515,071 47
1916	1,783,739 31	1,147,916 54	253,984 64	37,721 13	53,125 18	3,276,486 80
1917	2,217,197 91	1,639,311 56	322,119 07	46,554 38	60,207 19	4,285,390 11
1918	2,972,224 65	1,508,955 39	441,727 22	36,587 96	62,890 04	5,022,385 26
1919	3,906,669 10	1,815,700 02	440,683 95	45,021 50	69,751 57	6,277,826 14
1920	4,478,865 43	2,371,383 96	546,480 38	97,692 15	66,458 27	7,560,880 19
1921	4,024,728 43	2,765,418 97	522,692 77	83,000 41	68,271 64	7,464,112 22

The Ratio of Each Class of Operating Revenues to Total Operating Revenues is as Follows:

	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921
Coal freight	63.03	60.37	57.84	58.99	54.44	51.74	59.18	59.04	59.24	53.92
Merchandise freight	27.74	29.64	31.22	31.19	35.04	38.25	30.04	32.11	31.36	37.05
Passenger	7.24	7.99	8.64	7.72	7.75	7.52	8.80	7.02	7.23	7.01
Mail and express	.93	.92	1.11	1.07	1.15	1.09	.73	.72	1.29	1.11
Miscellaneous	1.06	1.08	1.19	1.03	1.62	1.40	1.25	1.11	.88	.91

SUMMARY OF OPERATING EXPENSES FOR TEN YEARS, 1912 TO 1921, INCLUSIVE

Years Ended Dec. 31	Maintenance of Way and Structures	Maintenance of Equipment	Traffic	Transportation	General	Total Operating Expenses
1912	$185,163 56	$248,078 87	$92,815 25	$456,805 96	$92,645 79	$1,075,509 43
1913	194,336 85	301,330 35	100,791 56	504,821 64	122,785 30	1,224,065 70
1914	193,737 79	307,660 85	102,684 57	469,693 87	126,508 77	1,193,184 66
1915	286,889 88	303,089 63	113,005 25	467,422 55	126,668 51	1,284,731 30
1916	289,720 14	447,317 87	221,016 76	647,025 38	147,772 64	1,742,278 48
1917	426,170 00	635,479 74	227,980 01	986,370 26	179,023 15	2,450,309 64
1918	684,515 12	1,171,404 91	110,363 13	1,621,288 19	163,390 46	3,748,029 87
1919	966,414 25	1,524,824 43	70,044 83	1,966,366 11	176,506 85	4,702,570 71
1920	1,050,184 94	1,915,917 60	221,020 17	2,546,885 82	259,761 95	5,991,271 09
1921	979,799 06	1,740,747 17	269,116 40	2,084,818 32	250,255 27	5,320,170 72

The Ratio of Each Class of Operating Expenses to Total Operating Revenues is as Follows:

	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921
Maintenance of way and structures	7.36	6.93	8.22	11.41	8.84	9.95	13.63	15.39	13.89	13.13
Maintenance of equipment	9.86	10.74	13.04	12.05	13.65	14.83	23.32	24.28	25.34	23.32
Traffic	3.69	3.59	4.35	4.49	6.75	5.32	2.20	1.11	2.92	3.61
Transportation	18.16	18.00	19.92	18.58	19.75	23.01	32.28	31.32	33.68	27.93
General	3.68	4.37	5.36	5.04	4.51	4.18	3.25	2.81	3.44	3.35
Total	42.75	43.63	50.59	51.08	53.18	57.18	74.63	74.91	79.24	71.28

SUMMARY OF INCOME ACCOUNT FOR TEN YEARS, 1912 TO 1921, INCLUSIVE

Years Ended Dec. 31	Net Operating Revenues	Non-Operating Revenues	Gross Income	Taxes	Fixed Charges	Surplus
1912	$1,440,140 75	$151,482 98	$1,591,623 73	$88,637 28	$974,178 72	$528,807 73
1913	1,581,256 39	338,360 40	1,919,616 79	115,978 42	926,052 00	877,586 37
1914	1,165,436 44	247,326 15	1,412,762 59	161,322 25	934,083 36	317,356 98
1915	1,230,340 17	222,166 46	1,452,506 63	164,266 95	1,058,002 77	209,885 52
1916	1,534,208 32	398,684 06	1,932,892 38	155,280 39	1,189,893 39	587,718 60
1917	1,835,080 47	567,436 38	2,402,516 85	226,877 05	1,275,845 52	899,794 28
1918	1,274,355 39	229,648 11	1,503,695 64	208,457 89	....	....
1919	1,575,255 43	132,297 75	1,707,553 18	226,523 14	....	....
1920	1,569,609 10	1,167,933 45	2,737,542 55	370,749 60	1,618,274 48	748,518 47
1921	2,143,941 50	929,603 40	3,073,544 90	440,000 00	1,647,117 02	986,427 88

Note: Data for 1918, 1919, and January and February, 1920, furnished by United States Railroad Administration.

Note: Compensation received from the Government during Federal control was at the rate of $1,804,970.46 per annum.

MONTHLY OPERATING REVENUES AND EXPENSES FOR THE YEAR ENDED DECEM-

	Coal Freight	Merchandise Freight	Passenger	Mail and Express	Miscellaneous	Total
January	$392,831 32	$204,300 73	$48,802 44	$4,797 77	$12,311 82	$663,044 08
February	265,088 24	191,561 67	39,288 03	5,976 98	7,897 00	509,811 92
March	297,917 19	226,138 35	41,257 97	7,052 44	8,052 73	580,418 68
April	320,658 79	245,028 50	40,241 45	6,649 50	5,570 83	618,149 07
May	322,256 12	223,092 99	44,737 08	8,388 63	2,737 62	601,212 44
June	327,993 77	227,022 95	42,459 23	6,854 51	4,754 22	609,084 68
July	370,807 14	210,139 63	52,230 42	6,869 86	4,906 67	644,953 72
August	320,150 83	220,282 28	50,687 37	12,658 39	3,501 46	607,280 33
September	345,405 34	249,231 73	43,188 72	8,834 72	3,775 69	650,436 20
October	397,723 73	285,445 89	40,306 36	7,108 08	4,077 99	734,662 05
November	363,945 20	256,476 81	38,285 65	5,070 02	6,226 97	670,004 65
December	299,950 76	226,697 44	41,208 05	2,739 51	4,458 64	575,054 40
Total year ended December 31, 1921	$4,024,728 43	$2,765,418 97	$522,692 77	$83,000 41	$68,271 64	$7,464,112 22
Total year ended December 31, 1920	4,478,865 43	2,371,383 96	546,480 38	97,692 15	66,458 27	7,560,880 19
Increase	*$454,137 00**	$394,035 01	*$23,787 61**	*$14,691 74**	$1,813 37	**$96,767 97*
Increase per cent.	*10.14**	16.62	*4.35**	*15.04**	2.73	**1.28*

Note: Data for January and February, 1920, furnished by United States Railroad Administration.
*Decrease.

BER 31, 1921, COMPARED WITH TOTALS FOR THE YEAR ENDED DECEMBER 31, 1920

Maintenance of Way and Structures	Maintenance of Equipment	Traffic	Transportation	General	Total	Net Operating Revenues
$96,091 85	$179,689 38	$24,227 71	$225,044 36	$23,259 27	$548,079 64	$114,964 44
99,273 67	156,857 10	22,991 55	174,258 56	20,649 48	473,718 82	36,093 10
105,855 97	202,014 18	21,986 31	179,927 38	23,540 38	533,009 09	47,409 59
97,261 50	143,939 91	24,308 14	180,019 09	24,950 36	470,247 26	147,901 81
67,232 47	119,888 22	21,612 08	176,687 75	20,146 93	405,186 82	196,025 62
70,950 32	133,826 03	21,377 21	179,438 02	22,478 17	427,948 73	181,135 95
71,197 80	135,328 38	21,019 45	159,643 37	19,974 96	406,814 84	238,138 88
76,936 58	138,973 50	22,575 14	156,820 33	20,373 30	415,180 32	192,100 01
71,483 47	129,733 60	21,184 96	157,823 58	20,277 83	400,175 16	250,261 04
75,591 09	128,555 85	22,588 56	179,271 75	17,457 78	423,104 75	311,557 30
71,999 03	142,124 15	22,214 14	166,308 97	17,930 61	419,695 50	250,309 15
75,925 31	129,816 87	23,031 15	149,575 16	19,216 20	397,009 79	178,044 61
$979,799 06	$1,740,747 17	$269,116 40	$2,084,818 32	$250,255 27	$5,320,170 72	$2,143,941 50
1,050,184 94	1,915,917 60	221,020 17	2,546,885 82	259,761 95	5,991,271 09	1,569,609 10
*$70,385 88**	*$175,170 43**	$48,096 23	*$462,067 50**	*$9,506 68**	*$671,100 37**	$574,332 40
*6.70**	*9.14**	21.76	*18.14**	*3.66**	*11.20**	36.59

Note: Data for January and February, 1920, furnished by United States Railroad Administration.
*Decrease.

TRAFFIC STATISTICS FOR YEAR ENDED DECEMBER 31, 1921 COMPARED WITH SAME PERIOD PREVIOUS YEAR

	Year Ended Dec. 31, 1921	Year Ended Dec. 31, 1920	Increase	Decrease
Average Miles of Road Operated	291.01	291.01		
Passenger Traffic				
Number of passengers	643,569	729,370		85,801
Number of passengers carried one mile	14,782,566	17,432,414		2,649,848
Number of passengers carried one mile per mile of road	50,797	59,903		9,106
Average distance each passenger traveled (miles)	22.97	23.90		.93
Total revenue from passengers	$522,692.77	$546,480.38		$23,787.61
Average amount received from each passenger (cents)	81.22	74.92	6.30	
Average receipts per passenger per mile (cents)	3.54	3.13	.41	
Total passenger train revenue	$609,744.67	$648,515.74		$38,771.07
Passenger train revenue per mile of road	$2,095 27	$2,228.50		$133.23
Passenger train revenue per train mile (cents)	179.38	189.21		9.83
Average number of passengers per passenger train mile	43	51		8
Average number of passengers per passenger car mile	19	26		7
Freight Traffic				
Revenue Coal Traffic				
Tons of coal carried	3,326,264	4,261,427		935,163
Tons of coal carried one mile	620,794,859	689,740,536		68,945,677
Tons of coal carried one mile per mile of road	2,133,243	2,370,161		236,918
Average distance hauled per ton (miles)	186.63	161.86	24.77	
Total coal freight revenue	$4 024,728.43	$4,478,865.43		$454,137.00
Average amount received for each ton (cents)	121.00	105.10	15.90	
Average receipts per ton mile (cents)	0.65	0.65		
Coal freight revenue per mile of road	$13,830.21	$15,390.76		$1,560.55
Revenue Merchandise Traffic				
Tons of merchandise carried	1,561,726	1,628,709		66,983
Tons of merchandise carried one mile	197,167,511	215,025,243		17,857,732
Tons of merchandise carried one mile per mile of road	677,528	738,893		61,365
Average distance hauled per ton (miles)	126.25	132.02		5.77
Total merchandise freight revenue	$2,765,418.97	$2,371,383.96	$394,035.01	
Average amount received for each ton (cents)	177.07	145.60	31.47	
Average receipts per ton per mile (cents)	1.40	1.10	.30	
Merchandise freight revenue per mile of road	$9,502.83	$8,148.81	$1,354.02	

Note: Data for January and February, 1920, furnished by United States Railroad Administration.

TRAFFIC STATISTICS FOR YEAR ENDED DECEMBER 31, 1921 COMPARED WITH SAME PERIOD PREVIOUS YEAR—*Continued*

	Year Ended Dec. 31, 1921	Year Ended Dec. 31, 1920	Increase	Decrease
Total Revenue Freight Traffic				
Tons of freight carried	4,887,990	5,890,136		1,002,146
Tons of freight carried one mile	817,962,370	904,765,779		86,803,409
Tons of freight carried one mile per mile of road	2,810,771	3,109,054		298,283
Average distance hauled per ton (miles)	167.34	153.61	13.73	
Total freight revenue	$6,790,147.40	$6,850,249.39		$60,101.99
Average amount received for each ton (cents)	138.91	116.30	22.61	
Average amount received per ton per mile (cents)	.83	.76	.07	
Freight revenue per mile of road	$23,333.04	$23,539.57		$206.53
Freight revenue per train mile	$10.19	$7.94	$2.25	
Average number of tons of freight per train mile	1,227.92	1,049.15	178.77	
Average number of tons of freight per loaded car mile	40.81	39.86	.95	
All Freight (including company material hauled free)				
Number of tons carried	5,087,326	6,115,542		1,028,216
Number of tons carried one mile	840,084,423	930,352,729		90,268,306
Average number of tons of freight per train mile	1,261.12	1,078.82	182.30	
Average number of tons of freight per loaded car mile	41.92	40.99	.93	
Revenue and Operating Expenses				
Passenger and freight train revenue	$7,414,082.13	$7,498,765.13		$84,683.00
Passenger and freight train revenue per mile of road	25,477.07	25,768.07		291.00
Gross operating revenue	7,464,112.22	7,560,880.19		96,767.97
Gross operating revenue per mile of road	25,648.99	25,981.51		332.52
Gross operating revenue per revenue train mile	7.40	6.27	1.13	
Operating expenses (taxes excluded)	5,320,170.72	5,991,271.09		671,100.37
Operating expenses per mile of road	18,281.75	20,587.85		2,306.10
Operating expenses per revenue train mile	5.27	4.97	.30	
Net operating revenues	2,143,941.50	1,569,609.10	574,332.40	
Net operating revenue per mile of road	7,367.24	5,393.66	1,973.58	
Net operating revenue per revenue train mile	2.13	1.30	.83	

Note: Data for January and February, 1920, furnished by United States Railroad Administration.

CLASSIFICATION OF FREIGHT CARRIED DURING YEAR ENDED DECEMBER 31, 1921, COMPARED WITH SAME PERIOD PREVIOUS YEAR

(NET TONS)

	YEAR ENDED DEC. 31, 1921	YEAR ENDED DEC. 31, 1920	INCREASE	DECREASE
PRODUCTS OF AGRICULTURE				
Wheat, corn, oats, other grain	33,190	38,605		5,415
Flour and meal	21,239	28,089		6,850
Other mill products	12,353	8,101	4,252	
Hay, straw and alfalfa	40,442	24,185	16,257	
Tobacco	1,244	304	940	
Cotton, cotton seed, etc	8,660	4,126	4,534	
Fresh fruits	6,811	3,217	3,594	
Fresh vegetables	2,004	2,714		710
Dried fruits and vegetables	1,085	12	1,073	
Other products of agriculture	1,353	2,917		1,564
PRODUCTS OF ANIMALS				
Live stock	1,243	1,562		319
Fresh meats	2,051	295	1,756	
Other packing house products	1,004	538	466	
Poultry, eggs, butter and cheese	269	444		175
Wool, hides and leather	3,008	3,541		533
Other products of animals	646	1,867		1,221
PRODUCTS OF MINES				
Bituminous coal	3,324,383	4,261,427		937,044
Coke	1,881	30,597		28,716
Ores	242	6,602		6,360
Clay, gravel, sand and stone	373,221	237,412	135,809	
Other products of mines	97,855	96,746	1,109	
PRODUCTS OF FORESTS				
Lumber	217,760	230,864		13,104
Other products of forests	134,204	302,130		167,926
MANUFACTURES				
Petroleum and other oils	8,592	6,164	2,428	
Sugar, syrup, glucose, molasses	1,738	5,090		3,352
Boat and vessel supplies				
Iron, pig and bloom	215	8,238		8,023
Rail and fastenings	8,968	13,360		4,392
Bar and sheet iron, etc	10,444	11,947		1,503
Other metals	159	1,221		1,062
Castings	4,256	8,635		4,379
Cement	166,792	90,576	76,216	
Brick, artificial stone, lime, plaster	117,803	108,942	8,861	
Sewer pipe and drain tile	2,019	2,549		530
Agricultural implements	3,370	5,263		1,893
Automobiles and auto trucks	17,644	12,795	4,849	
Household goods and furniture	2,942	3,991		1,049
Beverages	760	2,147		1,387
Fertilizers	16,222	17,592		1,370
Paper	802	180	622	
Chemicals and explosives	11,363	30,726		19,363
Textiles	1,828	457	1,371	
Canned goods	2,446	2,715		269
Other manufactures	70,559	113,783		43,224
Merchandise—all L.C.L. freight	152,920	157,470		4,550
RECAPITULATION				
Products of agriculture	128,381	112,270	16,111	
Products of animals	8,221	8,247		26
Products of mines	3,797,582	4,632,784		835,202
Products of forests	351,964	532,994		181,030
Manufactures and miscellaneous	601,842	603,841		1,999
Total revenue tonnage	4,887,990	5,890,136		
Net decrease				1,002,146

NOTE: Data for January and February, 1920, furnished by United States Railroad Administration.

LIST OF INDUSTRIES ESTABLISHED FROM JANUARY 1, 1921, TO DECEMBER 31, 1921

Shipping Point	Name	Character
	Kentucky	
Elkhorn City	Elkhorn Table and Mfg. Company	Tables
	Virginia	
Bartlick	Fall Branch Coal Company	Coal
Haysi	J. S. Reece	Saw Mill
Haysi	Haysi Hardware Company	Wholesale
Clinchfield	Honaker and Feeney	Saw Mill
Burton's Ford	R. A. Harmon	Saw Mill
Carfax	W. F. Ham Coal Company	Coal
Dungannon	W. P. Addington Company	Wood Handles
Fort Blackmore	Clinch Valley Lumber Company	Band Mill
	Tennessee	
Johnson City	Southern Refrigeration Company	Cold Storage, Ice, etc.
Johnson City	Smith Higgins Company	Wholesale Drugs
Johnson City	Tri-State Fruit Company	Wholesale Fruits
Erwin	Willms and Son	Feldspar Mill
Erwin	Hickey McCorkle Company	Wholesale Grocers
Erwin	Duncan Bros. Feed Company	Wholesale Feed
	North Carolina	
Green Mountain	Barker Mineral Company	Feldspar
Green Mountain	Tom Laws	Feldspar
Toecane	Universal Mining Company	Feldspar
Bandana	Feldspar and Mica Corporation	Spar and Mica
Boonford	Crabtree Feldspar Corporation	Built eight miles narrow gauge railroad; develop timber, spar, mica, etc.
Penland	Blue Ridge Mining Company	Feldspar
Penland	Penland Feldspar & Kaolin Company	Spar and Kaolin
Penland	Big Ridge Mining Company	Feldspar
Spruce Pine	Nassau Producing Company	Mica Schist Mill
Spruce Pine	Dent and Gunter	Mica recovered from Kaolin waste.
Spruce Pine	Universal Mica Company	Mica
Spruce Pine	American Mica Mining Company	Mica
Spruce Pine	A. Blanton Grocery Company	Wholesale Grocers
Thermal	Second Broad River Sand Company	Sand
Logan	Sylvania Gold Mining Company	Gold

SIDINGS, SPURS AND ADDITIONAL YARD TRACKS BUILT FROM JANUARY 1, 1921, TO DECEMBER 31, 1921

MILE POST		MILES
	KENTUCKY	
1.6	Kanawha-Elkhorn Collieries Company	.097 a
	VIRGINIA	
Dumps Cr.	Clinchfield Carbocoal Corporation	2.374 a
10.4	Cumberland Coal Company	.127 b
11.5	Russell Fork Coal Company	.074 c
15.	Steinman Development Corporation	.087 a
17.3	Clinchfield Coal Corporation	1.556 a
17.6	Clinchfield Coal Corporation	.427 a
31.2	Elizabethton Flooring Company	.075 b
35.8	Clinchfield Coal Corporation	.044 b
36.6	3 Storage Tracks, Dante Yard	1.696
41.	Cross-over Boody Yard	.035
54.9	J. S. T. Coal Company	.678 a
82.	Cross-over Kermit	.036
	TENNESSEE	
91.9	Wm. Roller	.058 b
94.0	Kingsport Brick Corporation	.134 a
95.1	Corning Glass Company	.325 a
120.1	Team Track, Johnson City	.104
135.1	Carl Willms	.019 a
136.0	2 Heavy Car Repair Tracks	.634
136.3	Cross-over at Erwin Station	.075
136.3	3 Heavy Car Repair Tracks	.982
136.4	8 Radial Tracks, Erwin Shops	.253
136.4	Engine Yard Track	.168
136.4	Planing Mill Track	.029
137.1	McKinney Brothers	.046 a
	NORTH CAROLINA	
163.8	American Cigar Box Lumber Company	.087 a
172.8	Harris Clay Company—Lunday	.122 b
176.3	Crabtree Feldspar Corporation	.055 b
180.1	Carolina Clay Company	.140 b
202.5	Clinchfield Lime Company	.064 a
212.7	J. D. Pitts	.037 b
242.2	Jobe Brothers	.222 b
254.7	Harris Station Track Extended	.019
	SOUTH CAROLINA	
267.6	J. W. Swofford	.007 a
	Total	10.886
	Total tracks removed during period	.469
	Net length of tracks added during period	10.417

a Owned by Industry.
b .027 Miles Owned by C., C. and O. Railway, balance by Industry.
c .011 Miles Owned by C., C. and O. Railway, balance by Industry.

EXPENDITURES FOR ADDITIONS AND BETTERMENTS CHARGED TO CAPITAL ACCOUNT, FOR THE PERIOD JANUARY 1, 1921, TO DECEMBER 31, 1921

Engineering	*Cr.*	*$5,380 48*
Land for transportation purposes	*Cr.*	*2,878 57*
Grading		2,514 73
Tunnels and subways		52,112 45
Bridges, trestles and culverts		34,316 66
Ties		24,706 95
Rails		52,928 56
Other track material		32,661 09
Track laying and surfacing		7,109 51
Right-of-way fences		120 51
Crossings and signs		1,950 07
Station and office buildings		11,487 60
Roadway buildings		20,411 69
Water stations		2,520 99
Shops and enginehouses		27,274 47
Telegraph and telephone lines		525 74
Paving		405 26
Roadway machines		739 65
Assessments for public improvements		699 33
Other expenditures—road	*Cr.*	*166 53*
Steam locomotives		15,355 26
Freight train cars	*Cr.*	*25,388 69*
Passenger train cars		14,566 48
Work equipment		13,495 21
Other expenditures—general	*Cr.*	*229 17*
Total		$281,858 77

A parcel of land containing 0.56 acre was purchased at Waycross, Tenn., for right-of-way purposes.

2.54 acres of land for the Pottery spur at Erwin, Tenn., were purchased at a cost of $143.00.

0.84 acre of land was acquired at Miller Yard, Va., for the construction of yard tracks.

Various scattered parcels of land in Wise and Scott Counties, Va., together with maps, profiles, surveys, note books, etc., were sold to the Interstate Railroad, resulting in a credit of $10,760.50 to our property account.

Standard wire fence was built at various places to the extent of 0.9 mile.

The concrete lining of Russell tunnel was completed at a total cost of $31,309.47. The concrete lining of Sykes tunnel was about three-fourths completed at a cost of $31,372.72.

A dangerous grade crossing at Catawba River viaduct, near mile post 216.7, in North Carolina, was eliminated by constructing a new county road under the viaduct at a cost of $2,000.00.

A highway underpass, to accommodate a new state highway and eliminate a dangerous grade crossing, was built at Marion, N. C., at a cost of $12,663.44.

Two heavy repair tracks were installed at Erwin yard at a cost of $6,516.46.

A cross-over was installed at Boody yard at a cost of $758.51.

A cross-over was installed at Elkhorn yard at a cost of $1,448.52.

A cross-over was installed between main line and sidetrack at Kermit, Va., at a cost of $1,467.68.

Cross-over south of depot in Erwin yard was rearranged and lengthened at a cost of $128.25.

Three storage tracks were added to Dante yard at a cost of $19,315.30.

A storage track was installed south of roundhouse at Erwin yard at a cost of $2,269.45.

The planing-mill track at Erwin, Tenn., was extended 156 feet at a cost of $204.49.

A new stand-pipe was installed at Erwin yard at a cost of $1,587.62; a larger pump with new intake was installed at the Bostic water station at a cost of $2,183.24.

EXPENDITURES FOR ADDITIONS AND BETTERMENTS CHARGED TO CAPITAL ACCOUNT, FOR THE PERIOD JANUARY 1, 1921, TO DECEMBER 31, 1921—*Continued*

Machine tools were purchased for Erwin shops at a cost of $1,554.29; a new 120-foot turntable was installed at Erwin shops in place of the old 100-foot turntable, which was too light for locomotives now in use, the total cost of the new table being $33,132.93; a storm-shed was built over track No. 5 at Erwin machine shop at a cost of $529.50.

A self-cleaning cinder pit at Elkhorn yard was completed at a cost of $1,390.59.

Sewer assessment at Johnson City, Tenn., amounting to $43.87, and paving assessment at Erwin, Tenn., amounting to $405.26, were paid.

Sidewalk was built adjoining the railway property on Spring Street, Johnson City, Tenn., at a cost of $59.33.

One section motor car and two roadmaster's motor cars were purchased at a cost of $739.65.

Ten steel-underframe caboose cars were purchased at a cost of $42,643.48.

Electric lights were installed in seven passenger coaches at a cost of $11,569.84.

An improved spreader was purchased at a cost of $13,529.23.

An old wooden skew trestle over Lovedale Highway at Kingsport, Tenn., was replaced with a concrete and steel bridge at a cost of $21,518.43.

Crossing gates were installed jointly with the East Tennessee & Western North Carolina Railroad at Division Street, Johnson City, Tenn., at a cost of $1,302.68. Crossing gates were installed jointly with the Norfolk and Western Railway at Cleveland Street, St. Paul, Va., at a cost of $440.54.

A combination station was built at Harris, N. C., at a cost of $4,375.21, and the shelter-shed originally at Harris was moved to Enola, S. C.; a shelter-shed was built at Love, Tenn., at a cost of $503.28; toilet facilities were added to Spartanburg, S. C., yard office at a cost of $125.03; a stock pen was built at Fremont, Va., at a cost of $128.67; Cherry Street, Johnson City, Tenn., was paved in the rear of the depot and a concrete automobile unloading platform built at the end of the freight depot at a cost of $3,100.84; a five-room cottage was completed at Elkhorn Yard, Ky., at a cost of $3,351.96; a four-room house was built at Chesnee, S. C., for the pumpman at a cost of $1,308.20; a four-room house was built at Waycross, Tenn., for the agent at a cost of $1,717.54; a store building at Dante, Va., was completed at a cost of $4,849.51; a store building with rooms overhead was built at Elkhorn City, Ky., at a cost of $7,470.08; two wells were drilled at Elkhorn City, Ky., to furnish a supply of drinking water, at a cost of $431.51; the boarding house at Bostic, N. C., was completed at a cost of $19,191.09; work was begun on the passenger shed and platform at Johnson City, Tenn., resulting in the expenditure of $1,165.34.

New furniture was purchased for the following outside offices: Jacksonville, Fla., $40.00; Cincinnati, Ohio, $194.04; Augusta, Ga., $37.50; Detroit, Mich., $60.00; also furniture, typewriters and calculating machines as follows: Traffic Department, Johnson City, Tenn., $87.64; Revision Bureau, Elkhorn City, Ky., $39.00; Accounting Department, Johnson City, Tenn., $875.45; Legal Department, Johnson City, Tenn., $83.03; Storekeeper's office, Erwin, Tenn., $127.75; Superintendent's office, Erwin, Tenn., $416.50; Superintendent of Transportation's office, Erwin, Tenn., $300.00; other offices, $466.85.

The placing of our main line on Carolina, Clinchfield and Ohio Railway right-of-way at Johnson City, Tenn., was completed, resulting in the expenditure of $9,040.12 during the year.

85-pound rail was replaced with 100-pound rail in main line from the south switch at Kermit passing track to mile post 88.3; from mile post 106.5 to south switch of Soldier passing track; from Unicoi, Tenn., to Fishery, Tenn.; and from the north switch of Poplar passing track to mile post 155.0, making a total of 26.61 miles replaced.

Seventeen main line turnouts were changed from 85-pound material to 100-pound material in connection with rail renewals in main line.

60-pound rail was replaced with 85-pound rail in two yard tracks at Dante, Va.; one yard track at Carnegie, Tenn.; Model Mill at Johnson City, Tenn., and the station and team tracks at Sevier, N. C.

Light repair tracks Nos. 11, 12, and 13 were completed at Erwin yard, at a total cost of $12,427.95.

MAINTENANCE OF WAY AND STRUCTURES, YEAR ENDED DECEMBER 31, 1921

Total expenditures for maintenance of way and structures, $979,799.06, or $3,366.89 per mile operated.

189,342 cross ties used in maintaining existing tracks.

WEIGHT OF RAIL IN MAIN TRACK, YEAR ENDED DECEMBER 31, 1921

As Measured for Valuation of Railway

	C., C. & O. Railway			C., C. & O. Railway of S. C.		Total
	Main Line	Branches	Sidings	Main Line	Sidings	Main Line and Branches
	Miles	Miles	Miles	Miles	Miles	Miles
Owned						
105-lb. Rail	1.63					1.63
100-lb. Rail	49.20					49.20
90-lb. Rail	2.41		0.81			3.22
85-lb. Rail	208.44	7.87	89.04	18.09	5.51	328.95
80-lb. Rail			3.57			3.57
60-lb. Rail		2.20	30.63		1.09	33.92
45-lb. Rail			0.39			0.39
Total owned	261.68	10.07	124.44	18.09	6.60	420.88
Leased						
85-lb. Rail	2.79		5.36			8.15
Owned by Industries						
85-lb. Rail			10.38			10.38
60-lb. Rail			1.36		0.04	1.40
Total owned by industries			11.74		0.04	11.78
Total	264.47	10.07	141.54	18.09	6.64	440.81

BALLAST IN MAIN TRACK ON DECEMBER 31, 1921

Additional ballast placed on track during the year 1921 as follows:

	Kentucky	Virginia	Tennessee	North Carolina	South Carolina	Total
Stone—Cubic yards	....	2,320	960	3,400	480	7,160

General distribution of all ballast is as follows:

	Main Line		Spur Lines	Total
	C., C. & O. Ry.	C., C. & O. Ry. of S. C.	C., C. & O. Ry	
	Miles	Miles	Miles	Miles
Stone*	145.00	9.22	....	154.22
Stone and slag mixed	46.61	2.30	....	48.91
Slag†	65.93	6.32	9.75	82.00
Bridges	4.14	.25	.32	4.71
Total	261.68	18.09	10.07	289.84‡

*In general, stone ballast used in cuts and old embankments.
†Slag used on embankments liable to settle.
‡Tracks leased and used jointly excluded.

STATEMENT OF EQUIPMENT FOR YEAR ENDED DECEMBER 31, 1921, COMPARED WITH SAME PERIOD PREVIOUS YEAR

LOCOMOTIVES

Type	Owned or Leased Dec. 31, 1921	Owned or Leased Dec. 31, 1920	Weight and Tractive Power	
			Average Weight	Average Tractive Power
Ten-wheel (4-6-0)	5	5	158,400	27,200
Consolidation (2-8-0)	2	2	178,000	41,160
Consolidation (2-8-0)	15	15	199,150	43,882
Mallet (2-6-6-2)	21	21	368,625	73,859
Mallet (2-8-8-2)	17	17	410,305	102,359
Pacific (4-6-2)	5	5	253,120	40,744
Mikado (2-8-2)	11	11	299,336	53,955
Total freight and passenger	76	76	23,409,856	4,964,917
Average			308,024	65,327
In work train	3	3		
Leased	1	1		
Total locomotives	80	80		

	1921	1920
Number of locomotives through shop	55	58
Number of locomotives in shop being repaired and awaiting repairs at end of year	7	2
Average amount expended for repairs per locomotive in service	$5,698 74	$7,365 08
FREIGHT LOCOMOTIVES		
Number	67	67
Total tractive power, pounds	4,647,110	4,647,110
Average tractive power, pounds	69,360	69,360

PASSENGER CARS

Average amount expended for repairs and cleaning per passenger train car owned	$1,421.78
Number of passenger train cars through shop	18
Number of passenger train cars in shop at end of year	3

Owned and in Service	Construction	Year Ended Dec. 31, 1921	Year Ended Dec. 31, 1920	Increase	Decrease
Combination, baggage and mail	All steel	6	6		
Combination, baggage and express	Wooden	4	3	1	
	Steel underframe	2	2		
Coaches	Wooden	0	0		
	Vestibule and Steel underframe	24	24		
Coach, gas-electric	All steel	1	1		
Total		37	36	1	

STATEMENT OF EQUIPMENT FOR YEAR ENDED DECEMBER 31, 1921, COMPARED WITH SAME PERIOD PREVIOUS YEAR—*Continued*

FREIGHT CARS

Average amount expended for repairs per freight car owned	$90.31
Total number of freight train cars repaired	31,512

OWNED AND IN SERVICE	DESCRIPTION	CAPACITY IN POUNDS	YEAR ENDED DEC. 31, 1921	YEAR ENDED DEC. 31, 1920	IN-CREASE	DE-CREASE
Stock	Steel underframe	60,000	306	307		1
Box	Wood	60,000	146	156		10
Box	Steel underframe	60,000	709	710		1
Box	Steel underframe	100,000	300	300		
Flat	Wood	40,000	2	2		
Flat	Wood	60,000	49	56		7
Flat	Steel underframe	100,000	100	100		
Gondolas	Steel	100,000	738	741		3
Hoppers	Steel	100,000	3,776	3,784		8
Hoppers	Steel	110,000	1,750	1,750		
Caboose	Steel underframe		29	19	10	
Totals			7,905	7,925	10	30
Net decrease						20
Tonnage capacity			378,290	379,410		1,120
Average tonnage capacity			48.03	47.99	.04	

WORK EQUIPMENT

OWNED AND IN SERVICE	DESCRIPTION	YEAR ENDED DEC. 31, 1921	YEAR ENDED DEC. 31, 1920	IN-CREASE	DE-CREASE
Business		2	2		
Camp	Wood	60	61		1
Dump	Steel	28	28		
Pile driver	Steel underframe	1	1		
Derrick	Steel	2	2		
Steam shovels	Steel underframe	2	2		
Scoop	Wood	1	1		
Spreaders	Wood	4	3	1	
Scale test	Steel	1	1		
Cabin car	Wood	1	1		
Totals		102	102	1	1

EQUIPMENT PERFORMANCE FOR YEAR ENDED DECEMBER 31, 1921, COMPARED WITH SAME PERIOD PREVIOUS YEAR

	Year Ended Dec. 31, 1921	Year Ended Dec. 31, 1920	Increase	Decrease
Locomotives				
Cost per mile run (Cents)				
Enginemen	21.69	26.27	....	4.58
Enginehouse expenses	8.62	9.56	....	.94
Fuel	38.47	39.43	....	.96
Water	1.80	1.96	....	.16
Lubricants	1.20	1.53	....	.33
Other supplies	.90	1.05	....	.15
Repairs and renewals	28.54	34.22	....	5.68
Depreciation	6.61	6.17	.44	....
Total cost per locomotive mile (cents)	107.83	120.19	....	12.36
Pounds coal consumed per locomotive mile	243.56	268.81	....	25.25
Pounds coal consumed per freight locomotive mile	299.17	361.65	....	62.48
Pounds coal consumed per passenger locomotive mile	101.36	113.73	....	12.37
Pounds coal consumed per mixed locomotive mile	415.37	327.77	87.60	....
Pounds coal consumed per special locomotive mile	97.52	98.04	....	.52
Pounds coal consumed per switching locomotive mile	178.67	130.83	47.84	....
Pounds coal consumed per non-revenue locomotive mile	114.27	107.87	6.40	....
Locomotive miles per ton of coal	8.21	7.44	.77	....
Freight locomotive miles per ton of coal	6.69	5.53	1.16	....
Passenger locomotive miles per ton of coal	19.73	17.59	2.14	....
Mixed locomotive miles per ton of coal	4.82	6.10	....	1.28
Special locomotive miles per ton of coal	20.51	20.40	.11	....
Switching locomotive miles per ton of coal	11.19	15.29	....	4.10
Non-revenue locomotive miles per ton of coal	17.50	18.54	....	1.04
Locomotive miles run per pint of oil	11.10	9.27	1.83	....
Average number of locomotives in service per month	79	79	....	....
Average mileage per locomotive per month	1,664	1,793	....	129
Total tons of coal consumed	192,123	228,512	....	36,389
Average cost per ton of coal	$3.16	$2.93	.23	....
Passenger Cars				
Pounds coal consumed per passenger train car mile	27.29	29.50	....	2.21
Number passenger cars handled one mile per ton of coal	73.29	67.79	5.50	....
Freight Cars				
Pounds coal consumed per freight car mile (excluding caboose)	9.30	9.75	....	.45
Number freight cars handled one mile per ton of coal	215.16	205.06	10.10	....

MILEAGE STATISTICS FOR YEAR ENDED DECEMBER 31, 1921, COMPARED WITH SAME PERIOD PREVIOUS YEAR

	Year Ended Dec. 31, 1921	Year Ended Dec. 31, 1920	Increase	Decrease
Locomotive Mileage				
Of revenue freight trains	1,041,552	1,031,868	9,684	
Of revenue passenger trains	316,304	317,979		1,675
Of revenue mixed trains	16,790	16,231	559	
Of revenue special trains	2,297	408	1,889	
Of revenue switching service	162,370	275,324		112,954
Of non-revenue trains	38,279	58,387		20,108
Total	1,577,592	1,700,197	12,132	134,737
Net Decrease				122,605
Train Mileage				
Of revenue freight trains	654,973	850,430		195,457
Of revenue passenger trains	316,304	317,656		1,352
Of revenue mixed trains	16,790	16,231	559	
Of revenue special trains	2,297	408	1,889	
Of revenue motor car	17,997	20,414		2,417
Of non-revenue trains	38,279	58,387		20,108
Total	1,046,640	1,263,526	2,448	219,334
Net Decrease				216,886
Car Mileage and Statistics				
Mileage of loaded freight cars	20,042,143	22,695,753		2,653,610
Mileage of empty freight cars	13,538,335	15,963,609		2,425,274
Mileage of caboose cars	659,213	850,630		191,417
Total mileage of freight train cars	34,239,691	39,509,992		5,270,301
Mileage of passenger cars	744,187	645,380	98,807	
Mileage of sleeping, parlor and observation cars	1,331		1,331	
Mileage of other passenger train cars	449,670	580,460		130,790
Mileage of motor cars	17,997	20,414		2,417
Total mileage of passenger train cars	1,213,185	1,246,254	100,138	133,207
Net Decrease				33,069
Mileage of special cars		1,274		1,274
Mileage of non-revenue cars	217,640	206,102	11,538	
Average number of loaded cars in each freight train	30.54	26.62	3.92	
Average number of empty cars in each freight train, excluding caboose	20.64	18.75	1.89	
Average number of cars in each freight train, excluding caboose	51.18	45.37	5.81	
Percentage of loaded cars in each freight train	59.67	58.67	1.00	
Average number of passenger train cars in each passenger train	3.66	3.84		.18

CAROLINA, CLINCHFIELD AND OHIO RAILWAY

Income accounts of controlled companies having income for year ended December 31, 1921, are as follows:

HOLSTON CORPORATION:		
Expenses:		
Interest on 5 Per Cent. Realty and Collateral Trust Convertible Notes	$75,000 00	
General expenses	16,120 04	
Interest and discount	19,241 45	
Taxes	12,290 30	
Property repairs and expenses	442 79	
Insurance	2,763 49	
		$125,858 07
Income:		
Rents	$14,101 21	
Profit on real estate sold	13,807 58	
Profit from operation of St. Paul Quarry	6,029 17	
Miscellaneous earnings	5,918 57	
		39,856 53
Net loss for year ended December 31, 1921		$86,001 54
SPARTANBURG LAND COMPANY:		
Income:		
Rents		$6,084 50
Expenses:		
Taxes	$2,546 00	
Repairs	116 40	
Insurance	246 15	
General expenses	133 09	
		3,041 64
Net income for year ended December 31, 1921		$3,042 86

CAROLINA, CLINCHFIELD

ASSETS AND LIABILITIES OF CONTROLLED

ASSETS

CAROLINA, CLINCHFIELD AND OHIO RAILWAY OF KENTUCKY:		
Franchise	....	$5,000 00
CLINCHFIELD NORTHERN RAILWAY:		
Franchise	....	5,000 00
CLINCHFIELD NORTHERN RAILWAY OF KENTUCKY:		
Railroad	....	505,668 95
ELKHORN SOUTHERN RAILWAY:		
Franchise	....	5,000 00
HOLSTON CORPORATION:		
Investment in real estate	$324,242 46	
Real estate improvements	208,922 81	
Investment in stocks	1,137,459 82	
Construction of Charleston Terminal	363,315 03	
Other investments	168,512 97	
Current assets—cash on hand	13,113 26	
Available assets	138,008 62	
Profit and loss	604,431 39	
		2,958,006 36
LICK CREEK AND LAKE ERIE RAILROAD COMPANY:		
Franchise	....	100,000 00
SOUTH AND WESTERN RAILROAD COMPANY (OF NORTH CAROLINA):		
Franchise	....	600,000 00
SOUTH AND WESTERN RAILROAD (OF TENNESSEE):		
Franchise	....	2,270,000 00
SOUTH AND WESTERN RAILWAY COMPANY, CONSOLIDATED:		
Franchise	....	100,000 00
SOUTH AND WESTERN RAILWAY COMPANY (OF NORTH CAROLINA):		
Franchise	....	100,000 00
SOUTHPORT HARBOR COMPANY:		
Real estate	$1,999,000 00	
Profit and loss	13,375 01	
		2,012,375 01
SPARTANBURG LAND COMPANY:		
Real estate	$749,300 00	
Accounts receivable, Carolina, Clinchfield and Ohio Railway	6,312 22	
Cash	147 50	
		755,759 72

AND OHIO RAILWAY

COMPANIES AS OF DECEMBER 31, 1921, ARE AS FOLLOWS:

LIABILITIES		
CAROLINA, CLINCHFIELD AND OHIO RAILWAY OF KENTUCKY:		
Capital stock		$5,000 00
CLINCHFIELD NORTHERN RAILWAY:		
Capital stock		5,000 00
CLINCHFIELD NORTHERN RAILWAY OF KENTUCKY:		
Capital stock	$5,000 00	
First Mortgage Bonds	500,000 00*	
Additions to Property through Income and Surplus	668 95	505,668 95
ELKHORN SOUTHERN RAILWAY:		
Capital stock		5.000 00
HOLSTON CORPORATION:		
Capital stock	$750.000 00	
Five Per Cent. Realty and Collateral Trust Convertible Notes	1,500,000 00	
Current liabilities	636,660 66	
Deferred credit items	71,345 70	2,958,006 36
LICK CREEK AND LAKE ERIE RAILROAD COMPANY:		
Capital stock		100,000 00
SOUTH AND WESTERN RAILROAD COMPANY (OF NORTH CAROLINA):		
Capital stock		600.000 00
SOUTH AND WESTERN RAILROAD (OF TENNESSEE):		
Capital stock		2,270,000 00
SOUTH AND WESTERN RAILWAY COMPANY, CONSOLIDATED:		
Capital stock		100,000 00
SOUTH AND WESTERN RAILWAY COMPANY (OF NORTH CAROLINA)		
Capital stock		100.000 00
SOUTHPORT HARBOR COMPANY:		
Capital stock	$2.000.000 00	
Accounts payable, Carolina, Clinchfield and Ohio Railway	12,375 01	2,012,375 01
SPARTANBURG LAND COMPANY:		
Capital stock	$750.000 00	
Profit and loss	5.759 72	755.759 72

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*Owned by Carolina, Clinchfield and Ohio Railway.

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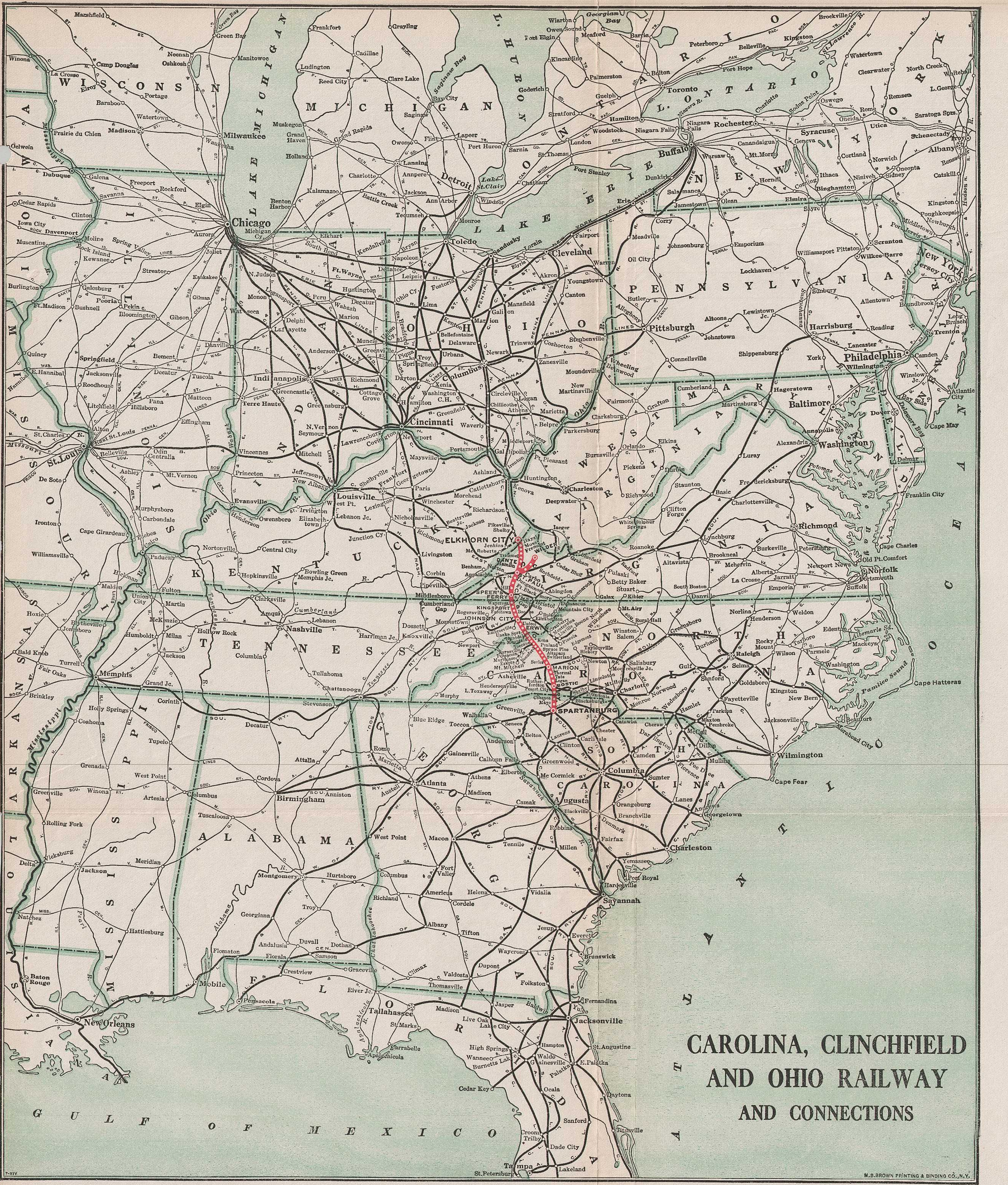
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CAROLINA, CLINCHFIELD AND OHIO RAILWAY

AND CONNECTIONS

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